



U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

CALIFORNIA DIVISION

650 Capitol Mall, Suite 4-100

Sacramento, CA. 95814

July 26, 2005

IN REPLY REFER TO

HDA-CA

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Mr. Will Kempton, Director
California Department of Transportation
1120 N Street
Sacramento, CA 95814

Attention: Federal Resources Office, Room 3500
For Ross Chittenden

Dear Mr. Kempton:

SUBJECT: FHWA-FTA Fiscal Constraint Guidance

The Federal Highway Administration and the Federal Transit Administration (FHWA-FTA) recently released new guidance on fiscal constraint which can be found at: <http://www.fhwa.dot.gov/planning/fcindex.htm>. The attached "talking points" highlight some of the more significant portions of the guidance.

Much of the guidance on revenue assumptions is reflective of processes already in place in California and therefore will require minimal effort to implement. However, the guidance does cover several areas that will need more emphasis, particularly in the area of cost estimates, operations and maintenance, and advanced construction. Through the California Federal Programming Group (CFPG), Caltrans, FHWA-FTA, and the MPOs will work cooperatively to identify ways to best address all of the requirements of the financial constraint guidance. The FHWA encourages you to review the guidance and submit any questions, comments, concerns, or issues to Wade Hobbs, with the FHWA at Wade.Hobbs@fhwa.dot.gov or raise them through the CFPG.

Sincerely,

/s/ K. Sue Kiser

For
Gene K. Fong
Division Administrator

Attachment: Doc # 47792



cc: via e-mail

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